

BUILDING BACK BETTER

Travel's Power to Accelerate Economic Recovery and Reunite America

Recommendations for the First 100 Days of the Biden Administration

America's economy cannot recover unless the travel industry recovers.

In 2019, the travel industry was one of the largest sectors of the economy, supporting 1-in-10 American jobs.

- In 2019, \$1.1 trillion in travel industry spending supported 15.8 million American jobs.
- The travel industry was a top-ten employer in all 50 states, including the largest employer in Nevada, third largest in Florida, fourth largest in Arizona and sixth largest in Georgia.
- International visitor spending in the U.S. was our nation's largest service industry export, generating a trade surplus of \$59 billion.

COVID-19 has devastated the travel industry more than any other sector of the economy.

- Due to COVID-19, the U.S. is forecast to lose \$510 billion in travel spending and [4.5 million travel jobs](#) by the end of 2020.
- 42% of all jobs lost nationwide are attributable to declines in direct travel employment and 50% of all direct travel jobs will be lost by the end of 2020.

We cannot afford to wait –

AMERICA NEEDS A NATIONAL PLAN TO RESTORE TRAVEL

Travel industry employment and spending are projected to take five years to fully recover from this crisis, which would delay broader economic recovery until after President-elect Biden's first term.

But with a focused, national plan to restore travel to and within the United States, the Biden administration can accelerate job growth and economic recovery, while helping to reunite Americans with each other and the world.

We urge President-elect Biden to kickstart the industry's recovery with two significant public efforts within the first 100 days of the administration:

Establish a national plan to restore domestic travel and reunite America by quickly developing public health and COVID-19 testing protocols to safely resume travel, and enacting aggressive economic stimulus measures to boost travel demand and bring back jobs.

Safely reopen international travel through risk-based COVID-19 testing protocols, remove international travel bans and set a goal of welcoming 116 million visitors to the U.S. by 2028, which will reestablish the United States as the most welcoming country in the world.

To support these two critical objectives, the following policies should be part of the administration's 100-day plan:

- 1 Support passage of a COVID-19 economic relief bill in 2020** that extends and expands support for small businesses, protects workers and invests in public health.
- 2 Enact economic stimulus measures to boost travel demand** by establishing a tax credit for leisure and business travel, and providing \$10 billion in domestic travel promotion grants to encourage Americans to reconnect with their family, friends and fellow citizens.¹
- 3 Quickly develop science-driven, risk-based health and safety guidance that enables domestic travel, large meetings, events and conferences to resume.** These standards should include the universal wearing of masks in public places and risk-based COVID-19 testing protocols that remove the need for travelers to quarantine.
- 4 Safely reopen international travel through a science-driven, risk-based approach to COVID-19 testing.** The COVID-19 testing protocols should alleviate the need for quarantines upon arrival, should be piloted along highly trafficked international routes, and quickly expanded in order to lift all international travel bans.
- 5 Creating a new Assistant Secretary for Travel and Tourism at the U.S. Department of Commerce.** The Assistant Secretary would be tasked with implementing policies to facilitate international travel exports and achieve the national goal of welcoming 116 million international visitors by 2028.
- 6 Invest in the future of travel mobility and infrastructure.** Call for historic federal investments in all modes of travel infrastructure, including airports, highways, passenger rail, and public transit. Target investments toward projects that improve national and regional mobility and facilitate greater travel and tourism.

1. If the 116th Congress fails to pass a COVID-19 relief package, the administration should call for the 117th Congress to quickly pass COVID-19 relief measures as part of a broader stimulus package.

Until widespread travel is able to resume, travel-dependent businesses, 83% of which are small businesses, will continue to need economic assistance to sustain or bring back jobs and maintain operations. Further, we will need a recovery strategy that allows us to take a science-based approach to beating the virus while still allowing travel to continue.

We urge the Biden administration to support the enactment of the following economic relief priorities in the lame duck session of the 116th Congress, without which an additional **one million travel jobs** will be lost by the end of the year. At a minimum, it's vital to extend the Paycheck Protection Program, help small travel businesses meet basic expenses, keep workers employed and safely reopen businesses.

1

Support passage of a COVID-19 economic relief bill in 2020

- **Extend the Paycheck Protection Program (PPP) through the end of 2021.** Expand eligibility to 501(c)(6) nonprofit and quasi-governmental destination marketing organizations (DMOs). Provide a second draw of PPP loans to help travel-dependent businesses keep their employees on the payroll. Ensure priority is given to the hardest-hit sectors of the economy, including travel-dependent businesses and organizations. Ensure relief covers a broad section of expenses and working capital needs.
- **Enhance and extend the Coronavirus Relief Fund through at least 2021.** Allow more flexibility for how recipients can use the funds, including uses that may have been covered under a previous budget.
- **Increase the Employee Retention Tax Credit** to 80% of compensation paid to employees (up to \$15,000 per quarter) and allow employers experiencing a revenue decline below 50% to gain access to a portion of the credit. Allow more businesses to qualify as a small employer, allowing them to utilize the credit to offset the cost of active employees.
- **Provide tax credits to help businesses prevent the spread of COVID-19.** Create a refundable payroll tax credit worth 50% of expenses associated with implementing new health and safety guidelines, including cleaning, ventilation, personal protective equipment, touchless technology and social distancing requirements.
- **Provide \$13 billion in additional emergency assistance to U.S. airports.** Provide \$10 billion to airports to mitigate expenses and lost revenue from the decline in air travel due to COVID-19. Provide \$3 billion to airport concessionaires.

The decline in domestic travel due COVID-19 has devastated our economy and torn at the very fabric of our society. By the end of December, Tourism Economics projects that 50% of all travel-supported jobs will be lost—**totaling 4.5 million direct travel jobs lost this year**. Since the beginning of March, the COVID-19 pandemic has resulted in \$453 billion in cumulative losses for the U.S. travel economy.

We encourage the Biden administration to enact economic stimulus measures that boost travel demand and encourage Americans to reconnect and reunite through travel and ensure that they can do so in a safe way.

2

Enact economic stimulus measures to boost travel demand and help reunite America

- **Create tax credits and deductions to help quickly restore travel demand and bring back travel jobs.** Provide a refundable tax credit for individuals worth 50% of qualified travel expenses (up to a maximum of \$1,500 per household), plus \$500 for each qualifying child (up to \$3,000). Provide a tax credit for businesses to offset the cost of participating in or hosting conventions, business meetings and events. Restore the deductibility of entertainment business expenses to help restore activity at entertainment venues and performing arts centers.
- **Provide \$10 billion in grants for domestic travel promotion to help local communities attract visitors, promote healthy and safe travel practices, and support economic recovery.** Distribute competitive grants through the Economic Development Administration or another efficient federal grant-making process to eligible state tourism offices and local destination marketing organizations. The grantmaking process should be streamlined to ensure funds can be used as soon as possible to help encourage Americans to follow healthy travel practices, such as wearing masks.

3

Quickly develop science-driven, risk-based health and safety guidance to enable domestic travel and large gatherings to resume

- **Establish a uniform set of health and safety guidelines for states and local governments to follow to allow domestic travel and large gatherings to resume.** Quickly develop testing protocols for domestic travel that can be implemented to allow for travelers to opt out of quarantine requirements where they exist. Set health and safety guidelines for large meetings, events and conferences that account for the level of safety that can be achieved for these events versus other types of mass gatherings.
- **Implement testing, contact tracing and preventive measures that are consistent with the campaign's proposed COVID-19 intervention plan.** Increase federal resources for testing centers and other critical healthcare infrastructure. Remove financial barriers to COVID-19 testing, treatment, preventative services and an eventual vaccine. Boost the output of supplies needed to prevent the spread of COVID-19 through large scale government procurement and reduce trade barriers and other obstacles to expanding their availability.
- **Enact immediate, temporary and limited liability protections for businesses that make a good-faith effort to reopen responsibly amid the pandemic.** Provide a limited safe harbor against liability risks related to COVID-19 exposure for travel businesses that take the critical steps to protect the health and safety of their customers and employees.

America's image abroad has declined, with favorable views among key U.S. allies registering the lowest on record since polling began. Data tells us that when international visitors come to America, they leave with a better impression of our country and its people; it's one of the most effective forms of public diplomacy at our disposal. To begin the process of healing our nation, we are going to need travel and its unique power to dismantle prejudices and unite people from all walks of life. As soon as it is safe, we must do everything we can to welcome back international visitors from around the world.

Unfortunately, the U.S. travel industry is already at a disadvantage as nearly every other country with whom we directly compete for tourism dollars has a coordinated governmental strategy on travel and tourism. U.S. travel exports too often take a backseat in trade policy considerations, despite the fact that travel was the largest U.S. service-industry export and the second-largest industry export in 2019. These exports generated a travel trade surplus of \$59 billion, and international visitor expenditures alone directly supported 1.2 million American jobs.

To better prepare the U.S. to welcome back visitors from around the world—and to compete for international tourism dollars—travel must be treated by policymakers as an export on par with other U.S. industries. The following policy priorities would establish travel industry leadership within the federal government, elevate travel exports in trade negotiations and help the industry meet its goal of welcoming 116 million annual international visitors by 2028:

4

Safely reopen international travel through a science-driven, risk-based approach to COVID-19 testing and lift international travel bans

- **Safely pilot “air bridges” that use pre-departure COVID-19 testing protocols to safely restart international air travel along top international routes.** The air bridge pilot should establish predeparture COVID-19 testing protocols as an alternative to quarantines and test technology to verify test results and conduct contact tracing. Quickly enter into bilateral agreements with foreign governments to pilot “air bridges” along the busiest international routes for U.S. and foreign carriers, including New York to London.
- **Establish risk-based, science-driven COVID-19 testing protocols to safely reopen all international travel.** Using lessons learned from the “air bridge” pilot program and leveraging risk-based, science-driven COVID-19 predeparture testing procedures, the federal government should quickly negotiate bilateral agreements with foreign governments to lift 212(f) restrictions and safely restart international air travel. The predeparture testing protocols must rely on a risk-based—rather than risk elimination—approach to COVID-19 testing, which avoids quarantines and can produce both health security and economic benefits.
- **Direct the U.S. Department of State to devote resources and staff to safely restart the visa process and address the backlog of visa applications.**

5

Set a national goal of welcoming 116 million international visitors to the U.S. by 2028.

- **Create a new Assistant Secretary for Travel and Tourism within the U.S. Department of Commerce.** Task the Assistant Secretary with working across agencies to develop a coherent, government-wide plan to boost travel exports. The office should:
 - Set national goals and objectives for growing international visitation every four years.
 - Lead interagency development of strategies to meet travel goals, such as necessary changes to visa processing and customs and entry procedures
 - Coordinate with stakeholders to increase the competitiveness of U.S. travel exports, such as large international trade shows and sporting events.
 - Develop a plan for the travel industry's recovery from COVID-19 and develop strategies to avoid future threats.

Our country's infrastructure—which should serve to connect America—has fallen into a state of disrepair and is driving people further apart. Commutes are longer, family and friends feel more distant and it is harder than ever to see all of our great country.

The future of mobility in America will require greener, more energy efficient modes of transportation, modernized systems and improved access to heavily trafficked destinations. By making these investments now, the U.S. can prepare to emerge from this crisis with stronger, more connected infrastructure systems than ever before, and will be ready to meet a resurgence in travel demand.

The administration can enact the following infrastructure priorities to rebuild our existing systems, facilitate recovery efforts and to work toward a future where America's travel infrastructure is once again the envy of the world.

6

Invest in the Future of Travel Mobility and Infrastructure

- **Authorize \$550 billion in federal funding for highways, transit, passenger rail and airports over five years**, including \$325 billion over five years for the federal-aid highway programs, \$125 billion over five years for investments in public transit, \$40 billion over five years for the Airport Improvement Program from both the Airport and Airways Trust Fund and the General Fund and \$60 billion in passenger rail funding.
- **Expand federal funding opportunities for passenger rail.** Allow Congestion Mitigation and Air Quality (CMAQ) funds to be used to support passenger rail operating expenses; establish a new intercity passenger rail grants program; and modernize Amtrak through a \$30 billion investment over five years, including \$18 billion for the Northeast Corridor.
- **Prioritize the award of federal discretionary grants to projects that improve travel mobility and achieve the goals of the National Travel and Tourism Infrastructure Strategic Plan.** Establish a Projects of National and Regional Significance program, funded at \$9 billion over five years, to invest in major projects that would improve travel mobility between regions, but cannot be funded through annual apportionments or other discretionary sources.
- **Support tax incentives and grants for electric vehicle charging stations to build out a national network.** Establish a federal grant program within the U.S. Department of Transportation to fund the establishment of a national network of charging infrastructure along the most heavily trafficked routes for long-haul travel. Extend the Section 30C tax credit to make needed investments in electric vehicle infrastructure and help facilitate the transition to a greener drive market.

WITHOUT TRAVEL, THE UNITED STATES IS AN INCREASINGLY DIVIDED AND ISOLATED NATION.

- **Fewer Americans are traveling to see loved ones, take vacations or conduct business than any other time in our nation's history—resulting in a populace that is increasingly isolated and divided.**
- **America's global standing has also declined in recent years, with favorable views of the U.S. registering at the lowest levels on record. With broad international travel bans in place, America's ability to restore its image abroad through cultural diplomacy has been stunted.**
- **An expeditious recovery of the travel industry is one of the best ways to revive the U.S. economy, help heal a fractured nation and reconnect America with the world.**